

**A Description of the CY 2006
Calculation Process and Data
Definitions for General
Transportation Aids**

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**Wisconsin Department of Transportation
Bureau of Transit, Local Roads, Railroads & Harbors**

Description of the CY 2006 Calculation Process and Data Definitions for General Transportation Aids (GTA)

The Wisconsin Department of Transportation (WisDOT) is now providing background information to local governments to identify how their annual GTA payment level is calculated. WisDOT began providing this information on the backside of the identifying the final CY 2005 GTA payment levels. This document supplements the information provided in the GTA letters with an expanded description of the calculation process along with defining the data inputs for the GTA calculation. The information below is formatted to reflect the data presented in the GTA letters.

Overview

There are five major steps that WisDOT uses to calculate the GTA payment levels for local units of government. These procedures are based on the requirements set forth in Wisconsin Statute (Wis. St.) 86.30, the state statute governing the GTA program. The calculation process is also based on the related requirements provided in Wis. St. 86.302 pertaining to the local road inventory and Wis. St. 86.303 outlining cost determinations. The major calculation steps include:

- Step 1 – *GTA Input Figures* are identified from official data sources and entered into a database;
- Step 2 – *Determine the Method of Calculation* for municipalities by selecting the larger of the share-of-costs (SOC) payment method and the rate-per-mile (RPM) payment method. Counties are only eligible for the SOC payment method and the RPM calculations are not performed for these communities.
- Step 3 – *Apply the Appropriate Minimum and Maximum Cushions* to the preliminary payment level to ensure that GTA payments are within the statutory “floors” and “ceilings”;
- Step 4 – *Apply the Aids Cap to Municipalities* to ensure that GTA payments are not more than 85% of their three year average costs; and
- Step 5 – *Calculate the Final Payment* after accounting for the cushions, aids cap and/or cost filing penalty (if applicable).

Step 1. GTA Input Figures

The input figures used to run the GTA calculations are obtained from official data sources and entered into a database. Official data sources for the program are

identified in Wis. St. 86.31, the state statute governing the GTA program, Wis. St. 86.302 pertaining to the local road inventory and Wis. St. 86.303 outlining cost determinations.

CVT Code: This is a unique five-digit identifier for each local government in the state. The Wisconsin Department of Administration (DOA) assigns the official City Village Town (CVT) codes for existing communities and for newly incorporated communities. For cities and villages that are located within more than one county, a main county has been designated for GTA reporting purposes. Please have this CVT reference number available when contacting WisDOT so that your community can be quickly and accurately identified (for example, there are 12 different Towns of Lincoln in the State of Wisconsin!). A listing of CVT codes is available at: <http://www.dot.wisconsin.gov/localgov/highways/docs/cvtindex.xls>

The numbering convention for the CVT codes include:

- **Counties:** the first two digits identify the county and the last three digits are zeros (example – the CVT code for Adams County is 01-000).
- **Cities:** the first two digits identify the county that the city is located within, the third digit is “2”, and DOA assigns the last two digits (example – the CVT code for the City of Adams in Adams County is 01-201).
- **Villages:** the first two digits identify the county that the village is located within, the third digit is “1”, and DOA assigns the last two digits (example – the CVT code for the Village of Friendship in Adams County is 01-126).
- **Towns:** the first two digits identify the county that the town is located within, the third digit is “0”, and DOA assigns the last two digits (example – the CVT code for the Town of Adams in Adams County is 01-002).

Name: The official name of the community (without “County of”, “City of”, “Village of” or “Town of”).

2006 Mileage: The total amount of mileage under local jurisdiction that is used to calculate Calendar Year (CY) 2006 GTA for municipalities. The local community, the WisDOT District Local Road Coordinator, and the WisDOT Statewide Local Road Coordinator have certified the mileage. The mileage data is stored in the Wisconsin Information System for Local Roads (WISLR). The mileage used to calculate CY 2006 GTA has a certification date of 12/31/04. Per Wisconsin Statute 86.302(3), there is always a lag between when the mileage is

certified and when the data is used to calculate GTA payments (i.e. "...beginning in the 2nd year following the year in which the certified plat is filed...").

2005 Mileage: The total amount of mileage under local jurisdiction that was used to calculate CY 2005 GTA for municipalities. The local community, the WisDOT District Local Road Coordinator, and the WisDOT Statewide Local Road Coordinator have certified the mileage. The mileage data is stored in the Wisconsin Information System for Local Roads (WISLR). The mileage used to calculate CY 2005 GTA has a certification date of 12/31/03. Per Wisconsin Statute 86.302(3), there is always a lag between when the mileage is certified and when the data is used to calculate GTA payments (i.e. "...beginning in the 2nd year following the year in which the certified plat is filed...").

2005 Aids: The total amount of GTA that was provided to a community in CY 2005.

6 Year Costs: The annual costs for the most recent six-year period that was used to calculate GTA payment levels. The annual costs come from the *Financial Report Form* that the local community filed with the Wisconsin Department of Revenue. The annual costs used to calculate GTA payments are "net local expenditures" and do not include costs funded by state or federal grants or aids programs. Some costs - most notably those for law enforcement, street lighting and storm sewers – are factored or prorated based on community type and/or population. The *Cost Report Manual* identifies the eligible revenues and expenses, and the factoring levels for each expenditure type.

6 Year Average Costs: The annual average costs for the most recent six-year period (i.e. 1999-2004). The 6 year average is used to calculate GTA for communities on the SOC payment method.

3 Year Average Costs: The annual average costs for the most recent three-year period (i.e. 2002-2004). The 3 year average is used to ensure that GTA payments to municipalities on the RPM payment method are no more than 85% of their 3 year average (*see step 4 below for more information*).

Step 2. Determine Method of Calculation (Greater of SOC or RPM)

The method of calculation is determined for municipalities by selecting the larger of the share-of-costs payment method and the rate-per-mile payment method. Counties are only eligible for the share-of-costs payment method.

County information in the RPM calculation section, other than the current "rate per mile", is shown with zeros.

Share of Costs (SOC) Calculation -

6 Year Average Costs: The annual average costs for the most recent six-year period (i.e. 1999-2004).

SOC Percentage: The state biennial budget provides two GTA appropriations, one for counties and one for municipalities (i.e. towns, villages and cities). For counties, the SOC percentage is based on the GTA county appropriation level along with the statewide total “6 Year Average Costs” for counties. For municipalities, the SOC percentage is based on the balance of the GTA municipal appropriation level after meeting the statutory RPM payment obligations, and the statewide total “6 Year Average Costs” for municipalities on the SOC payment method.

SOC Amount: The “6 year average costs” for a community multiplied by their “SOC percentage”.

Rate Per Mile (RPM) Calculation -

2006 Mileage: The total amount of mileage under local jurisdiction that is used to calculate Calendar Year (CY) 2006 GTA for municipalities (*see step 1 above for more information*).

Rate Per Mile: The statutorily defined RPM for municipalities that is identified in the state biennial budget.

RPM Amount: The “2006 Mileage” for a municipality multiplied by the “Rate per Mile”.

Step 3. Apply Appropriate Min/Max Cushions (SOC or RPM)

Once the preliminary GTA amount has been determined based on the appropriate payment method, the minimum and maximum cushions are applied in applicable cases to moderate the percentage change in the payment level from one year to the next. These statutory “floors” and “ceilings” adjust the preliminary GTA payment upward to the minimum level or downward to be within the maximum level of change.

County information in the RPM calculation section is shown with zeros. Municipal information is shown in the appropriate calculation section (the “SOC cushions” section or the “RPM cushions” section) and the other calculation section is shown with zeros.

Share of Costs Cushions -

2005 Aids: The total amount of GTA that was provided to a community in CY 2005.

Minimum 2006 Aids: The “2005 Aids” figure multiplied by the minimum cushion, which for counties is 0.98 (i.e. no more than a two percent reduction from the previous year aid level) and for municipalities is 0.95 (i.e. no more than a five percent reduction from the previous year aid level).

Maximum 2006 Aids: The “2005 Aids” figure multiplied by the maximum cushion, which is 1.15 for counties and for municipalities on the share-of-costs payment method. There is not a maximum cushion for municipalities on the rate-per-mile payment method.

Cushion Adjustment: The difference between the “2005 Aids” figure and the “Minimum 2006 Aids” figure or the “Maximum 2006 Aids” figure (i.e. the amount that the cushion added to or subtracted from the preliminary payment amount identified in Step 2).

Rate Per Mile Cushions -

2006 Mileage: The total amount of mileage under local jurisdiction that is used to calculate CY 2006 GTA for municipalities. The local community, the WisDOT District Local Road Coordinator, and the WisDOT Statewide Local Road Coordinator have certified the mileage. The mileage used to calculate CY 2006 GTA has a certification date of 12/31/04. Per Wisconsin Statute 86.302(3), there is always a lag between when the mileage is certified and when the data is used to calculate GTA payments (i.e. “...beginning in the 2nd year following the year in which the certified plat is filed...”).

2005 Mileage: The total amount of mileage under local jurisdiction that was used to calculate CY 2005 GTA for municipalities. The local community, the WisDOT District Local Road Coordinator, and the WisDOT Statewide Local Road Coordinator have certified the mileage. The mileage used to calculate CY 2005 GTA has a certification date of 12/31/03. Per Wisconsin Statute 86.302(3), there is always a lag between when the mileage is certified and when the data is used to calculate GTA payments (i.e. “...beginning in the 2nd year following the year in which the certified plat is filed...”).

Mileage Change: “2006 Mileage” less “2005 Mileage”.

% Change: “2006 Mileage” divided by “2005 Mileage”.

2005 Aids: The total amount of GTA that was provided to a community in CY 2005.

2005 Adjusted Base: If a municipality on the RPM payment method has “2006 Mileage” that does not equal “2005 Mileage” (i.e. the community added or lost roadways under their local jurisdiction), then the “2005 Adjusted Base” is “% Change” multiplied by “2005 Aids”. The adjusted base provides a supplemental

figure for 2005 so that the new size of their local roadway network can be recognized to calculate the CY 2006 payment levels.

Minimum 2006 Aids: The “2005 Aids” figure multiplied by the minimum cushion, which for municipalities is 0.95. Counties are not eligible for the RPM payment method and thus do not have a minimum aid level. There is no maximum cushion for municipalities on the RPM payment method and thus there isn’t a “Maximum 2006 Aids” level for these RPM communities.

Cushion Adjustment: The difference between the “2005 Aids” figure (or the “2005 Adjusted Base” figure if greater than the “2005 Aids” figure) and the “Minimum 2006 Aids” figure (i.e. the amount that the cushion added to the preliminary payment amount identified in Step 2).

Step 4. Apply Aids Cap to Munis

Once the preliminary GTA amount has been determined for each municipality and the minimum and maximum cushions have been applied, the preliminary GTA amount is then reduced, if applicable, to ensure that the GTA figure is not more than 85% of their three year average costs. This 85% cap is statutorily defined in Wis. St. 86.30 and ensures that municipality’s fund at least 15% of the eligible costs.

The 85% cap does not apply to counties. County information in the RPM calculation section, other than the “3 Year Average Costs”, is shown with zeros.

85% Restriction -

3 Year Average Costs: The annual average costs for the most recent three-year period (i.e. 2002-2004). The 3 year average is used to ensure that GTA payments to municipalities are no more than 85% of their 3 year average.

Cap for Munis: The eighty-five percent (or 0.85) threshold statutorily defined in Wis. St. 86.30(2)(d) for municipalities (i.e. “munis”). Based on a RPM of \$1,862, municipalities need to have a minimum “3 Year Average Costs” of \$2,191 per mile to avoid a GTA reduction due to the 85% cap (i.e. 85% of \$2,191 equals \$1,862). Municipalities on the SOC payment method spend much more than the \$2,191 per mile average and do not have GTA payments reduced based on the cap.

Max Payment Due to Cap: The maximum payment allowable based on the cap, which is defined as the “3 Year Average Costs” multiplied by 0.85 (i.e. the “Cap for Munis”).

Reduction Due to Cap: If the “Maximum Payment Due to Cap” is less than the “RPM Amount” calculated in Step 2, then the “Reduction Due to Cap” is the

difference between the “RPM Amount” and the “3 Year Average w/Cap” (i.e. the amount that the preliminary GTA figure was reduced by to be within the 85% cap).

Step 5. Calculate Final Payment

The final GTA payment level for CY 2006 is determined by making the additions and/or subtractions to the preliminary GTA figure (from Step 2) called for from the cushions (from Step 3) and/or the aids cap (from Step 4). This preliminary GTA figure is further reduced based on the “Cost Filing Penalty”, if applicable, to obtain the final GTA payment level for CY 2006 (i.e. “Total GTA Amount”).

County data for the “Rate per Mile Amount” and “Reduction Due to Muni Cap” in Step 5 is shown with zeros.

Components of Payment -

Share of Costs Amount: The “6 year average costs” for a community multiplied by their “SOC percentage” that was identified in Step 2.

Rate Per Mile Amount: The “2006 Mileage” for a municipality multiplied by the “Rate per Mile” that was identified in Step 2.

SOC/RPM Cushion Adjustment: The difference between the “2005 Aids” figure and the “Minimum 2006 Aids” figure or the “Maximum 2006 Aids” figure that was identified in Step 3. Negative figures (i.e. payment reductions) are identified with parentheses.

Reduction Due to Muni Cap: (*Same as “Reduction Due to Cap”*) If “3 Year Average w/Cap” is less than “3 Year Average Costs”, then the “Reduction Due to Cap” is the difference between the “3 Year Average Costs” and the “3 Year Average w/Cap” (this figure was identified in Step 4). Negative figures (i.e. payment reductions) are identified with parentheses.

Cost Filing Penalty: All local units of government are required to annually submit a *Financial Report Form* to the Wisconsin Department of Revenue. The form identifies the revenues and expenses that WisDOT uses to calculate GTA payment levels. The submittal deadlines and penalties for non-compliance are spelled out in Wis. St. 86.303. If a community files the report after the due date, a late-filing penalty is assessed on the GTA payment and is identified on this line.

Total GTA Amount: The final GTA figure for CY 2006 after adjustments to the preliminary GTA figure have been made from the cushion adjustments, municipal cap and/or cost filing penalty.

Resources

Additional information on the GTA program is located on the WisDOT Internet site at <http://www.dot.wisconsin.gov/localgov/highways/gta.htm>. The eligible and ineligible revenues and expenses used to calculate GTA payment levels are identified in the *Cost Reporting Manual* that is also located on this site.

The various versions of the *Financial Report Form* (A, B, C, CT and D) and related reporting instructions are located on the Wisconsin Department of Revenue (DOR) Internet site at <http://www.dor.state.wi.us/forms/govmfr/index.html>

Please contact Scott Bush, GTA Program Manager, if you have questions or comments on the GTA program or this document. Scott can be contacted at:

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Please contact Carol Doran with the Wisconsin Department of Revenue if you are a **town** with questions or comments on the DOR *Financial Report Form*. Carol can be contacted at:

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Please contact Mike Treviranus with the Wisconsin Department of Revenue if you are a **village, city or county** with questions or comments on the DOR *Financial Report Form*. Mike can be contacted at:

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